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## **Neighborhood Stabilization Act much needed, NACo says**

**WASHINGTON, D.C.** – Nancy Floreen, councilmember, Montgomery County, Md., told a House of Representative panel that legislation to provide \$15 billion in loans and grants to help urban counties and cities deal with the foreclosure crisis is “vitally needed to address the growing mortgage foreclosure crisis across the United States.”

Floreen [testified May 21 before the House of Representatives Committee on Oversight](#) and Government Reform Domestic Policy Subcommittee, chaired by Rep. Dennis Kucinich (D-Ohio), on behalf of the National Association of Counties, the U.S. Conference of Mayors, the National Association of Local Housing Finance Agencies, and the National Community Development Association on the impact of mortgage crisis on neighborhoods.

The Neighborhood Stabilization Act of 2008 (HR 5818) would provide \$15 billion in urgently needed loans and grants to help cities, urban counties and states deal with the foreclosure crisis that is overtaking the nation.

“We strongly support the \$15 billion authorized under the bill and its administration by the Housing and Urban Development office that also administers Community Development Block Grant funds,” Floreen testified. “This amount recognizes the severity of the problem nationally.”

She said the funding provided by HR 5818 is “timely, targeted and temporary” and would enable counties and cities to deal with the foreclosure problem in a straight forward manner by acquiring, rehabbing and reselling foreclosed homes.

“The legislation is a reflection that the foreclosure problem is adversely affecting neighborhoods, often neighborhoods that have already been infused with other federal assistance,” Floreen said. “That investment is threatened unless action is taken.”

She told lawmakers that the foreclosure crisis affects, tragically, not only those who lose their homes, but those families who are near foreclosure homes.

“It is a proven fact that foreclosed homes drive down the value of surrounding properties,” she said. “The sooner we solve this problem, the less collateral damage we will have with depreciating home values. Recently, over half of the top 150 metro areas saw a decline in the median sales price of existing single family homes. This cuts directly to what is the mainstay of local government revenues, property taxes. Local governments cannot adequately fund schools and essential public services if we have a prolonged decline in property values.”

Click [here](#) to read the full testimony.

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*The National Association of Counties (NACo) is the only national organization that represents county governments in the United States. Founded in 1935, NACo provides essential services to the nation's 3,066 counties. NACo advances issues with a unified voice before the federal government, improves the public's understanding of county government, assists counties in finding and sharing innovative solutions through education and research, and provides value-added services to save counties and taxpayers money. For more information about NACo, visit [www.naco.org](http://www.naco.org).*